



## **Department of Natural Resources Public Service Commission of Wisconsin**



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### **DNR and PSC Release Clean Coal Report Important Tool for Governor's Efforts on Global Warming**

MADISON – Today the Department of Natural Resources (DNR) and the Public Service Commission of Wisconsin (PSC) released a report that says a new clean coal technology, integrated gasification combined-cycle (IGCC), holds promise as part of Wisconsin's next generation of baseload power plants.

"Global warming is real and its effects are real," according to PSC Chairperson Dan Ebert. "This report will provide valuable guidance for both the Commission and the Task Force on Global Warming Governor Doyle recently announced."

"What we do to combat global warming makes a difference, and this is an issue that's at the forefront of what we're doing as an agency," DNR Secretary Scott Hassett said. "Under Governor Doyle's leadership, Wisconsin is moving forward in developing new technologies and investing in renewable energy. This report is another resource we can use in our efforts to curb global warming."

Commissioner Mark Meyer served as the PSC Co-Chair of the IGCC Study Group that helped develop the report. He said, "When we consider building a baseload power plant, we are looking at a long-term investment that will be serving Wisconsin customers for the next 50 years. The investment has to make sense for ratepayers and fit into future environmental strategies to contain carbon. The report sheds light on how IGCC may fit into Wisconsin's future energy and environmental needs."

The report provides a cost and benefit analysis of IGCC technology. It shows that if Congress enacts legislation limiting carbon dioxide emissions from power plants, the cost of electricity generated from an IGCC power plant is competitive with the cost of electricity produced from conventional coal-fired power plants. Carbon dioxide is the primary greenhouse gas and is emitted mainly from power plants and automobiles.

"Controlling carbon dioxide is the wild card in this analysis," said Al Shea, DNR Air and Waste Administrator and DNR Co-Chair of the Study Group. "Both in terms of our understanding of

technology options and federal regulations - these factors have the potential to change the draft results dramatically.”

“This report candidly describes the challenge we face in our efforts to tackle climate change and still provide low-cost reliable electricity for Wisconsin consumers,” Commissioner Bert Garvin said. “With the rising costs of electricity that we’ve seen over the years as environmental policy continues to drive our energy choices, this report shows why clean coal technologies are important to Wisconsin’s energy future.”

The report explores IGCC technology and the pluses and minuses to adopting the technology in Wisconsin. Other findings in the report include:

- Carbon sequestration poses challenges. Wisconsin is not rich in sites to store the carbon dioxide that is captured in the IGCC process. Transportation options to viable storage sites would probably need to be developed.
- Financing concerns exist. Since IGCC is such a new technology, with only two IGCC power plants operating in the U.S., it may not be financially feasible for one utility to take on the costs of constructing an IGCC power plant in Wisconsin.

IGCC uses high pressure and temperature to transform coal into a gas prior to combustion. The resultant gas can be cleaned of pollutants prior to firing in a turbine. Conventional coal technology burns coal in a boiler, and pollutants must be stripped out after combustion in the exhaust, which is both a more difficult and expensive process. IGCC also has lower emissions of sulfur dioxide, which contributes to haze, acid rain and the formation of fine particulate pollution.

“I want to thank all of the study group participants who took time out of their busy schedules to explore the prospects of IGCC technology and lent their expertise to help develop this report,” Commissioner Meyer said. The report was requested by the Governor as part of his Conserve Wisconsin agenda. Development of the report was conducted jointly by the DNR and PSC in consultation with a study group of experts representing environmental groups, consumer groups, industry, labor and utilities. The study group met through 2005 and 2006 to explore the potential of IGCC technology for Wisconsin.

The final report is available at: <http://psc.wi.gov/CleanCoal/comments.htm>.

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